

**California Department of Health Care Services
Proposed Trailer Bill Language**

Electronic Health Record Incentive Program Name Change and Extension

FACT SHEET

Issue Title: Electronic Health Record (EHR) Incentive Program Name Change and Extension. This proposal would change the existing EHR Incentive Program name to the Medi-Cal Promoting Interoperability Program which will reflect the new emphasis of the program on data interoperability in compliance with new federal Centers for Medicare and Medicaid Services (CMS) requirements. The proposal would also extend the sunset date for the program from July 1, 2021 to January 1, 2024.

Background: The Medicaid EHR Incentive Program was established under the American Recovery and Reinvestment Act Health Information Technology for Economic and Clinical Health (HITECH) Act and codified in state law under SB 945 (Chapter 433, Statutes of 2011), to promote the adoption and meaningful use of EHR technology. On April 24, 2018, CMS, in its commitment to promoting and prioritizing interoperability of health care data, and improving patient access to health data, changed the name of the EHR Incentive Program to the Promoting Interoperability Program. The program had successfully promoted the adoption of EHRs by hospitals and professionals, but providers often failed to exchange information with each other or with health information exchanges. States were required to similarly change the names of their programs. The program is currently still named the Medi-Cal EHR Incentive Program in state statute and will need to be changed in accordance with CMS requirements.

State statute designates the program as inoperative on July 1, 2021, and sunsets the program by January 1, 2022. In August 2018, newly enacted federal regulations governing the program extended funding for administrative closeout activities until September 30, 2022, and audit and appeals activities until September 30, 2023. The sunset date for the program in state statute should be extended accordingly to leverage this additional funding.

Justification for Change: The Department of Health Care Services (DHCS) proposes to change the existing EHR Incentive Program name to the Medi-Cal Promoting Interoperability Program, which will reflect the new emphasis of the program in compliance with new CMS requirements. DHCS also proposes to extend the sunset date for the program from July 1, 2021 to January 1, 2024 to allow DHCS to take advantage of enhanced federal funding for administrative, audit, and appeal activities necessary for program close out, consistent with CMS expectations.

Summary of Arguments in Support: This proposal changes the name of the Medi-Cal EHR Incentive Program to the Medi-Cal Promoting Interoperability Program, consistent with federal requirements. The proposal also extends the sunset date to allow for administrative closeout as well as audit and appeals closeout. Enhanced federal funding (90/10) is available for this activity.

Estimate Issue # and Title: Medi-Cal Local Assistance Estimate Policy Change 8:
American Recovery and Reinvestment Act HITECH Incentive Program